

Message Text

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SUBJECT: 1975 PAY ADJUSTMENT FOR USFJ LN EMPLOYEES, AND IHA JOB
STUDY

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RUHVAAA/CINCPACAF HICKAM AFB HI

RUHPSHH/AAFES PAC HONOLULU HI

RUADJHA/CDRUSARJ CAMP ZAMA JA/AJCP

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C O N F I D E N T I A L

CINCPAC FOR J12

SUBJ: 1975 PAY ADJUSTMENT FOR USFJ LN EMPLOYEES; AND IHA JOB
STUDY

REF:

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A. MEMO ON CONFIRMATION OF AGREEMENT IN PRINCIPLE ON PAY

ADJUSTMENTS FOR MLC/MC/IHA EMPLOYEES, 8 FEB 1975 (NOTAL)

B. COMUSJAPAN LTR J51, 23 OCT 75, SUBJ: ANTICIPATED WAGE

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INCREASES IN JAPAN (NOTAL).

C. CINCPAC 080231Z JAN 76, ANTICIPATED WAGE INCREASES IN JAPAN (NOTAL).

1. (U) REF A CONCLUDED 1974 WAGE NEGOTIATIONS WITH TWO OPEN ITEMS: LOWERING ADVANCED AGE TERMINATION FROM 62 TO 60 AND A JOB STUDY INVOLVING SURVEY OF PREVAILING PRACTICES FOR JOBS SIMILAR TO SPECIFIED NONAPPROPRIATED FUND POSITIONS, CARRIED OVER FOR JOINT USFJ/DFAA STUDY

AND IMPLEMENTATION. REF B PROVIDE SPECIFICS ON DFAA PROPOSED 1975 WAGE INCREASE FOR US FORCES MLC/IHA/MC EMPLOYEES AND THE USFJ WAGE PROPOSAL PACKAGE AND POSITION FOR 1975 WAGE NEGOTIATIONS WITH DFAA. REF C CONCURRED IN REF B.

2. (U) IN REGARD TO THE 1975 WAGE REVISION, THE USFJ IN RESPONSE TO GOJ REQUEST THROUGH THE JOINT COMMITTEE AGREED ON 16 MAR 76 TO SET ASIDE FOR FUTURE ADDRESSAL ITS 1975 WAGE PROPOSAL PACKAGE TO EXPEDITE CONCLUSION OF THE 1975 WAGE NEGOTIATIONS SINCE SETTLEMENT BY 31 MAR 76

WAS ESSENTIAL FOR OUR EMPLOYEES AND ALL PARTIES INVOLVED. AS A RESULT, NEGOTIATIONS ON THE 1975 WAGE REVISION AND IHA JOB STUDY WERE BROUGHT TO A CONCLUSION AND MEMORANDA ON CONFIRMATIONS OF AGREEMENT IN PRINCIPLE ON 1975 PAY ADJUSTMENTS FOR MLC/MC/IHA EMPLOYEES, AND IHA JOB STUDY, BOTH DATED 31 MAR 76, HAVE BEEN SIGNED. THE 1975 DAY

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INCREASE OF APPROXIMATELY 11 PERCENT WAS RETROACTIVE TO 1 APR 75. SPECIFIC MODIFICATIONS TO MLC/MC/IHA IMPLEMENTING MEMORANDA ARE BEING DEVELOPED. TARGET DATE FOR SIGNATURE OF WAGE REVISION MODIFICATIONS

IS 12 APR 76, WITH JOINT USFJ-DFAA AGREEMENT FOR SIGNATURE OF IHA JOB STUDY MODIFICATION ON 1 MAY 76.

3. (U) RESULTS OF NEGOTIATIONS ON 1975 WAGE REVISION AND IHA JOB STUDY:

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A. 1975 WAGE REVISION: THE USFJ CONCURRED IN DFAA WAGE REVISION PROPOSAL, WITH THE EXCEPTION OF EXTENSION OF HOUSING ALLOWANCE TO EMPLOYEES LIVING IN SUBSIDIZED HOUSING AND ADJUSTMENTS TO EXTENDED STEP TABLES OF LONGEVITY STEP INCREASES. DFAA WITHDREW THESE TWO ITEMS FROM FINAL SETTLEMENT. FINAL WAGE AGREEMENT AMOUNTED TO APPROXIMATELY 10.85PCT (BASE PAY PLUS FAMILY, HOUSING AND COMMUTATION ALLOW

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ANCE ADJUSTMENTS), PLUS A SMALL LONGEVITY STEP INCREASE.

B. IHA JOB STUDY: DFAA AND USFJ AGREED TO ADJUST TWO CURRENT BASIC WAGE TABLES ADDING THREE ADDITIONAL STEPS BELOW THE MINIMUM FOR FUTURE NEW HIRES IN 159 JOB CATEGORIES. DFAA AND USFJ ALSO AGREED TO A ONE-GRADE REDUCTION OF FOUR JOB CATEGORIES (SALES CLERK, BARTENDER, KITCHEN WORKER AND BOWLING MACHINE REPAIRMAN) WITH DOWNGRADING OF INCUMBENTS UNDER A SAVE PAY PROVISION TO BE EFFECTIVE 1 JUL

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76.

4. (C) NEGOTIATIONS SINCE FEB 75 HAVE RESULTED IN THE LOWERING OF MANDATORY RETIREMENT AGE FROM 62 TO 60, WITH APPROXIMATELY 1300 USFJ EMPLOYEES RETIRING ON 31 MAR 76 UNDER THIS NEW PROVISION, AND IN MINOR CHANGES TO THE IHA. SIGNIFICANCE OF THE CHANGE TO IHA IS ITS INFERENTIAL RECOGNITION THAT US PAY PRACTICES DO EXCEED THOSE OF THE PRIVATE SECTOR IN CERTAIN AREAS, DESPITE FEEL

INSISTENCE THE SURVEY DATA WAS INSUFFICIENT. IT IS RECOGNIZED THESE GAINS REPRESENT ONLY A MINOR PORTION OF THE NECESSARY MITIGATION OF LOCAL NATIONAL LABOR COSTS. USFJ WILL CONTINUE TO SEEK TO ALIGN PAY AND EMPLOYMENT PRACTICES IN THE INDIRECT HIRE AGREEMENTS WITH PREVAILING PRACTICE.

5. (C) IN REVIEWING OUR EFFORTS TO ALIGN PAY AND EMPLOYMENT PRACTICES OVER THE PAST YEAR, IT SHOULD BE NOTED THAT:

(A) ANNUAL WAGE INCREASES FOR GOJ EMPLOYEES ARE BASED ON YEARLY NATION-WIDE SURVEYS OF PREVAILING PRACTICE IN THE ECONOMY.

(B) GOJ EMPLOYEES AND MOST OTHER EMPLOYEES IN PRIVATE ESTABLISHMENTS HAD RECEIVED THEIR 1975 WAGE INCREASE PRIOR TO 15 DEC 75.

(C) GOJ PAID AN ADVANCE PARTIAL 6PCT ON THE 1975 WAGE INCREASE
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TO USFJ LOCAL NATIONAL EMPLOYEES IN THE INTEREST OF EMPLOYEE SATIS-

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FACTION ON THE ASSURANCE THAT THE USFJ WOULD REIMBURSE AT THE CONCLUSION OF THE 1975 WAGE NEGOTIATIONS.

(D) OUR NEGOTIATIONS ON THE 1975 WAGE INCREASE FOR USFJ EMPLOYEES BECAME HIGHLY SENSITIVE POLITICAL AND SOCIAL ISSUES SINCE OUR NEGOTIATIONS WERE EXTENDING INTO THE 1976 NATION-WIDE SPRING WAGE STRUGGLE BY ORGANIZED LABOR.

(E) DEEP CONCERN WAS VOICED BY THE AMERICAN AMBASSADOR, SEVERAL MINISTRIES OF GOJ AND THE UNIONS OVER THE DELAY IN GRANTING THE 1975 ANNUAL WAGE INCREASE.

(F) OUR EFFORTS TO MITIGATE RISING LABOR COSTS AT THE NEGOTI-

TIATING TABLS ARE VERY DIFFICULT TO RECONCILE WITH THE LONG-
STANDING USFJ POLICY OF MOVING WAGES AT THE SAME TIME AND IN THE
SAME PROPORTION AS WAGE ADJUSTMENTS PROVIDED GOJ EMPLOYEES.

(G) ALL PARTIES CONCERNED WITH INCREASING LABOR COSTS AND
WAGE NEGOTIATIONS IN JAPAN SHOULD CONTINUE TO EXPLORE WAYS AND
MEANS OF MITIGATING LABOR COSTS, EXPEDITING FUTURE WAGE NEGOTIATIONS
AND MAINTAINING CURRENT GOOD RELATIONSHIP WITH GOJ AND HIGH LEVEL
EFFECTIVENESS OF THE USFJ WORK FORCE.

GDS: 31 DEC 82

UNQUOTE

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